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STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION (1996-97)

ELEVENTH LOK SABHA

MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION

DEMANDS FOR GRANTS (1997-98)

SIXTH REPORT

LAID ON THE TABLE OF THE RAJYA SABHA
ON 12 MAY 1997

सत्यमेव जयते

AUTHENTICATED

Chairman
Standing Commitee on Food
Civil Supplies and Public Distribution

LOK SABHA SECRETARIAT
NEW DELHI

May, 1997/Vaisakha, 1919 (Saka)

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Presented to Lok Sabha on.....2 MAY 1997

Laid in Rajya Sabha on.....12 MAY 1997

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NEW DELHI

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COMPOSITION OF THE STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES & PUBLIC DISTRIBUTION (1996-97)

Shri R.L. Bhatia — *Chairman*

MEMBERS

Lok Sabha

2. Shri Shyam Bihari Misra
3. Shri R.C. Veerappa
4. Shri Gangaram Koli
5. Shri Raj Keshar Singh
6. Shri Nakli Singh
7. Shri Bachi Singh Rawat
8. Shri Chhatar Singh Dabar
9. Shri Manharan Lal Pandey
10. Shri Vidya Sagar Sonkar
11. Shri Chitubhai D. Gamit
12. Shri Manikrao H. Gavit
13. Shri Nivritti Sherkar
14. Smt. Chhabila Netam
15. Shri Madhaba Sardar
16. Shri Virendra Kumar Singh
17. Shri Pitambar Paswan
18. Shri Syed Masudal Hossain
19. Smt. Sandhya Bouri
20. Shri V. Kandasamy
21. Smt. Phoolan Devi
22. Shri D.S.A. Shiva Prakasam
23. Smt. T. Sharda
24. Shri Shivaji Kambli

25. Shri Ramashray Prasad Singh
26. Shri Ghanshyam Chand Kharwar
27. Shri Brahmanand Mandal
28. Shri Om Parkash Jindal
29. Shri Rajkumar Wanglcha
*30. Dr. Amrit Lal Bharati

Rajya Sabha

31. Shri Onward L. Nongtdu
32. Shri Ghufran Azam
33. Shri Moolchand Meena
34. Shri Venod Sharma
35. Shri K.M. Khan
36. Prof. Vijay Kumar Malhotra
37. Shri Dawa Lama
38. Shri P. Soundararajan
39. Dr. Ramendra Kumar Yadav Ravi
40. Shri Joyanta Roy
41. Shri Tara Charan Majumdar
**42. Shri Ram Ratan Ram
***43. Shri Manohar Kant Dhyani

SECRETARIAT

1. Shri S.N. Mishra — *Additional Secretary*
2. Smt. Roli Srivastava — *Joint Secretary*
3. Shri Krishan Lal — *Deputy Secretary*
4. Shri R.S. Kambo — *Under Secretary*
5. Shri O.P. Arora — *Assistant Director*
6. Shri Hoti Lal — *Committee Officer*

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* Ceased to be Member of the Committee *w.e.f.* 21.3.1997.

** Nominated to the Committee *w.e.f.* 29.08.1996.

*** Nominated to the Committee *w.e.f.* 13.12.1996.

INTRODUCTION

I, the Chairman of the Standing Committee on Food, Civil Supplies and Public Distribution (1996-97) having been authorised by the Committee to submit the Report on their behalf, present this Sixth Report on Demands for Grants (1997-98) relating to the Ministry of Civil Supplies, Consumer Affairs & Public Distribution.

2. The Committee examined/scrutinised the Detailed Demands for Grants (1997-98) of the Ministry which were laid on the Table of the House on March 20, 1997.

3. The Committee took evidence of the representatives of the Ministry of Civil Supplies, Consumer Affairs and Public Distribution on 31st March, 1997.

4. The Committee wish to express their thanks to the Officers of the Ministry of Civil Supplies, Consumer Affairs & Public Distribution for placing before them the detailed written notes on the subject and for furnishing the information to the Committee desired in connection with the examination of the subject.

5. The report was considered and adopted by the Committee at their sitting held on 21st April, 1997.

6. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

NEW DELHI;
28 April, 1997
8 Vaisakha, 1919 (Saka)

(R.L. BHATIA)
Chairman,
Standing Committee on Food,
Civil Supplies and Public Distribution.

PART I

CHAPTER-I

INTRODUCTORY

The Ministry of Civil Supplies, Consumer Affairs and Public Distribution is entrusted with the functions of monitoring of prices and availability of essential commodities, public distribution system control of futures trading and matter relating to regulation of Weights and Measures, Standardisation and Quality Control, Consumer protection and Integrated Management of Supplies, Prices, Distribution of Vanaspati, Oilseeds, Vegetable Oils, Cakes and Fats. In the field of Cooperation, the Ministry is responsible for other Consumer Co-operative Schemes only.

1.2 The Ministry has also the following attached and subordinate offices entrusted with the responsibility of implementation of policies laid down by the Government of India :—

(1) Directorate of Vanaspati, Vegetable Oils and Fats;

(2) Weights and Measures Unit; and

(3) Forward Markets Commission.

1.3 The Ministry has administrative responsibility for Hindustan Vegetable Oils Corporation Ltd. which is a Public enterprise registered under the Indian Companies, Act. In addition, the following organisations also function under the administrative control of the Ministry :—

(1) Bureau of Indian Standards (BIS);

(2) National Consumer (Disputes Redressal) Commission;

(3) National Cooperative Consumer Federation; and

(4) Super Bazar, New Delhi.

1.4 The Demand for Grants of the Ministry of Civil Supplies, Consumer Affairs and Public Distribution were laid on the table of

Lok Sabha on 20th March, 1997. Demand No. 9 of the Ministry contains the figures of Revenue as well as Capital Expenditure which are as follows :—

(In crores of Rupees)

	Revenue	Capital	Total
Charged	—	11.25	11.25
Voted	73.28	0.48	73.76

1.5 The details of Revenue and Capital Expenditure, Budget Estimate and Revised Estimate for 1996-97 and Budget Estimate for 1997-98 of the Ministry are as under :—

		1996-97 Budget			1996-97 Revised			1997-98 Budget		
	Major Head	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
REVENUE SECTION										
Secretariat-Economic Services	3451	—	3.21	3.21	—	3.37	3.37	—	3.43	3.43
Food Storage and Warehousing	2408	0.20	0.70	0.90	0.20	0.84	1.04	0.30	0.86	1.16
Industries	2852	2.60	0.02	2.62	2.60	0.02	2.62	3.00	0.02	3.02
Civil Supplies	3456	3.01	90.52	93.53	5.31	54.02	59.33	2.20	55.53	57.73
	Charged	—	—	—	—	—	—	—	—	
	Voted	3.01	90.52	5.31	54.02	59.33	2.20	55.53	57.73	
Other General Economic Services	3475	0.10	1.43	1.53	0.10	1.44	1.54	0.22	1.47	1.69
Grants-in-Aid to State Governments	3601	7.01	—	7.01	35.51	—	35.51	11.25	—	11.25
	3602	—	—	—	0.50	—	0.50	—	—	—
Total-Revenue Section		12.92	95.88	108.80	44.22	59.69	103.91	16.97	61.31	78.28
	Charged	—	—	—	—	—	—	—	—	—
	Voted	12.92	95.88	108.80	44.22	59.69	103.91	16.97	61.31	78.28

	Major Head	1996-97 Budget Plan	Non-Plan	Total	1996-97 Revised Plan	Non-Plan	Total	1997-98 Budget Plan	Non-Plan	Total
CAPITAL SECTION										
Capital Outlay on Other General Economic Services	5475	0.76	—	0.76	0.76	—	0.76	0.48	—	0.48
Loans for Other General Economic Services	7475	0.16	—	0.16	0.16	—	0.16	—	—	—
Loans and Advances to State Governments	7601	7.01	—	7.01	7.01	—	7.01	11.25	—	11.25
	Charged	7.01	—	7.01	7.01	—	7.01	11.25	—	11.25
	Voted	—	—	—	—	—	—	—	—	
Total-Capital Section		7.93	—	7.93	7.93	—	7.93	11.73	—	11.73
	Charged	7.01	—	7.01	7.01	—	7.01	11.25	—	11.25
	Voted	0.92	—	0.92	0.92	—	0.92	0.48	—	0.48
GRAND TOTAL		20.85	95.88	116.73	52.15	59.69	111.84	28.70	61.31	90.01

The details of recoveries adjusted in accounts in reduction of expenditure for revenue and capital section are as under :—

Revenue Section										
Other Schemes of Civil Supplies	3456	- 1.00	- 10.01	- 11.01	- 2.30	- 3.50	- 5.80	—	- 5.00	- 5.00
Capital Section										
Capital Outlay on Other General Economic Services	5475	—	—	—	—	—	—	—	—	—
Total Recoveries		- 1.00	- 10.01	- 11.01	- 2.30	- 3.50	- 5.80	—	- 5.00	- 5.00

CHAPTER-II

DEPARTMENT OF CIVIL SUPPLIES

Major Head : 3456

(A) Monitoring of Prices

2.1 During the first 41 weeks of the current financial year 1996-97 (upto 11.1.97), the overall rate of inflation has been higher at 6.8 percent as against 4.2 percent during the corresponding period of last year. The annual rate of inflation as on 11.1.1997 was also higher at 7.6 percent as compared to 4.9 percent during the corresponding period a year ago. However, the general price situation and availability of most of the essential commodities during the current period has been, by and large, normal. Barring few items such as wheat, rice, gram, potatoes, atta, coconut oil etc. no significant increase of prices has been reported. The year 1996-97 started with the rate of inflation of 4.4 percent and this had declined to the lowest record level of 4.2 percent at the end of June, 96. However, after the upward revision in the administered prices of petrol and petroleum products in July, 96, the rate of inflation started moving up and reached the present level of 7.6 percent.

2.2 The supply management of 12 essential commodities has been carried out effectively during the current financial year as a result of which no perceptible rise in the prices of essential commodities has been reported so far except in the case of wheat and gram. The price of wheat has come under inflationary pressure due to fall in Wheat production last year and consequent reduction in its procurement of Government account. The Government has however taken appropriate measures including import of upto 2 million tonnes of wheat to stabilise the prices of wheat. While a higher increase was noticed in the WPI of rice, wheat, jowar, gram, potatoes, milk, fish, mutton, atta, gur, coconut oil and cotton cloth the items whose WPI increased at a lower price include bajra, arhar, masur, onions, chillies, tea, sugar and groundnut oil. Contrary to this trend, decline was witnessed in the prices of moong, urad, salt and mustard oil during the current financial year as compared to the prices in the corresponding period in 1995-96.

2.3 The Consumer Price Index (CPI) numbers for Industrial Workers which generally reflects the retail prices is available upto November, 1996. During the first 8 months of 1996-97, (April–November, 1996), the CPI has shown an increase of 9.4 per cent as compared to the rise of 9.6 per cent in the corresponding 8 months in 1995-96. However, in terms of annual rate, the inflation in respect of CPI for Industrial Workers during the month of November, 1996 at 8.7 per cent was lower than 10.3 per cent in November, 1995.

Steps Taken by the Government to Control the Prices of Essential Commodities

(i) High level Committee, namely the Cabinet Committee on Prices (CCP) and Special Action Committee of Secretaries on Monitoring of Prices (SACP) with a view to review the price situation and providing relief to the consumer have been functioning effectively.

(ii) An Inter-Ministerial coordination committee on Monitoring the Prices, Availability and forecasting of Selected Essential Commodities is functioning under the Chairmanship of Secretary, Department of Consumer Affairs and Public Distribution. The Committee reviews the overall price and supply position of 12 essential commodities and suggests measures to the Cabinet Committee on Prices and SACP.

(iii) The daily monitoring of absolute retail prices is being done for selected centres in respect of 12 essential commodities of mass consumption *viz.*, rice, wheat, gram-, arher, potatoes, onions, tea, sugar, salt, vanaspati, groundnut oil and mustard oil.

(iv) Commodities such as rice, wheat, sugar, kerosene, edible oil, softcoke etc. are being distributed through the network of Public Distribution System (PDS) at below market prices.

(v) Action against the hoarders, black marketeers and those indulging in unfair practices have been intensified under the Essential Commodities Act, 1955 and Prevention of Black Marketing and Maintenance of supplies of Essential Commodities Act, 1980, by the State Governments/UTs administration. The State Governments/UTs administration have been alerted to take stern action

against hoarders, black marketeers and those indulging in unfair trade practices.

(vi) Commodities which are in short supply such as wheat, pulses, edible oil, etc., are being imported in the most desired quantities to increase their availability in the market. The Government has put the import of edible oil, pulses and cotton under Open General Licence (OGL) in order to augment their availability.

(vii) The essential commodities of mass consumption are being supplied to the consumers through the cooperative outlets of Super Bazar, Kendriya Bhandar, retail/mobile outlets of State Civil Supplies Corporation.

(viii) The Government has decided to import upto 2 million tonnes of wheat through STC. Roller Flour Mills are allowed to import their requirements under OGL through registration with APEDA to augment supplies of wheat products. The stock holding limit for dealers of wheat have been prescribed in order to prevent hoarding and unhealthy trade practices.

2.4 The Committee have noted that a number of steps have been taken by the Government to control the price of essential commodities. The Committee have also observed that the supply management of 12 essential commodities has been carried out effectively during the current financial year 1996-97 as a result of which no perceptible rise in the prices of essential commodities was reported. The price of wheat has come under inflationary pressure due to fall in wheat production last year and consequent reduction in the procurement account. The Government had to import of wheat upto 2 million tonnes to stabilise the price of wheat. The Committee are of the view that consumers had to pay Rs. 8 to 12 per 1 kg. of wheat in the month of October-November, 1996 and black marketeers, hoarders and profiteers were benefitted.

2.5 The Committee are of the opinion that the Government was aware of the fall in production of wheat and consequent reduction in the procurement account. Such a situation could have been avoided if the Government had taken adequate measures well in time. They therefore desire the Government to make all efforts to control the sudden exhorbitant hike in price of essential commodities and take remedial and suitable actions in advance to save foreign currency.

B. Hindustan Vegetable Oil Corporation

Major Head : 3456

Background

2.6 The Hindustan Vegetable Oils Corporation Ltd. (HVOC) was set up by taking over the management of two sick companies, namely, Ganesh Flour Mills and Amritsar Oil Works. Subsequently, these two companies were nationalised and HVOC was incorporated under the Companies Act, 1956 on 31.3.84 as a Public Limited Company fully owned by the Government of India with equity capital of Rs. 5 crores. Presently, authorised capital is Rs. 10 crores and paid up capital is Rs. 7.71 crores.

Activities

2.7 The Corporation has been assisting the Government of India in the supply o refined imported edible oils under the Public Distribution System. Besides, HVOC also manufactures breakfast food items like corn flakes and white oats. At present the Corporation has two vanaspati manufacturing units at Kanpur and Amritsar apart from packaging units at Delhi, Calcutta, Mumbai, Bangalore and Madras and a Breakfast Food Unit at Delhi.

Performance

2.8 Statements giving targeted and actual production during the past two years and the current financial year and also showing financial performance for the previous year and the current year are given at Appendix I & II.

2.9 The HVOC has been incurring cash losses since 1991-92 due to stoppage of import of crude edible oil, reduction in the import of refined edible oil, obsolete technology in the vanaspati manufacturing units, non-availability of sales tax exemption being given to the new vanaspati units and also the excess manpower.

2.10 To revive HVOC by moderning vanaspati manufacturing units at Kanpur and Amritsar, a modernisation plan has been prepared and sent to ICICI for their apprisal. The packaging units at Calcutta, Mumbai, Madras and Bangalore have started making profits since 1994-95. In the current year, the Calcutta unit has made a profit of Rs. 92.29 lakhs, Mumbai unit of Rs. 60.60 lakhs, Madras unit of

Rs. 44.02 lakhs and Bangalore unit of Rs. 85.43 lakhs for the period April, 1996 to Sept., 1996.

Memorandum of Understanding

2.11 A Memorandum of Understanding between HVOC and the Department of Civil Supplies has been signed for the year 1995-96. The emphasis in the MoU is on containing losses. The Government also has assured assistance by giving larger allocation of imported palmolein for packaging in both small packs and bulk packs.

2.12 Asked about the revival of Amritsar and Kanpur Units, the Secretary Department of Civil Supplies during evidence stated :

> "We have taken up the matter with the ICICI. We had prepared a revival plan earlier, which was to cost about Rs. 24 crore and that had been referred to the Ministry of Finance. We are now concentrating only on the Amritsar and Kanpur units which are vanaspati-making units. Now, we have put up a revised proposal at a cost of about Rs. 9 crore for the appraisal of the ICICI. This was referred to them in the month of September last year. They are in the process of finalising their recommendations. We hope to have their recommendations and their appraisal on this modified renovation and improvement plan very shortly. So, once we have their recommendations, we propose to take that up with the Ministry of Finance for funding. Of course, in the past, they had not agreed to support these plans but we will take this up again with the Ministry of Finance and we hope that they would consider our proposals since the requirement now would be much less. It would cost only about Rs. 8-9 crore. In the event of the Ministry of Finance still not agreeing to the funding of this Rs. 9 crore plan, we will have to seek alternatives. In the past, the question of disposal of some surplus land belonging to the HVOC had been considered but no final view was taken. We want to consider this as a backup plan. Initially, we would take up the matter with the Ministry of Finance. In case they say that no support could be given, then we propose to take up the matter at the internal level and see whether some surplus land available with the HVOC could be disposed of in a manner so as to generate sufficient resources for implementation of these revival plans. This is what we are proposing to do. Actually, we were expecting the recommendations and the report from ICICI by the end of this month, i.e., today. But I think, they have made some further queries; they are verifying

certain figures which have been furnished to ICICI by the HVOC regarding their productivity. So, I think, this should not take very long. May be, in a month or so, we should have their recommendations. Once we have these, we will take up the matter with the Ministry of Finance. The Delhi vanaspati unit has already been closed. These are the units which are incurring losses. There is an improvement so far as other units are concerned."

2.13 When asked to use profit generated by HVOC, the Secretary, Department of Civil Supplies during evidence informed as under :—

"No. We are not in a position to generate any overall profit and this year also the HVOC is expected to show a net loss of about Rs. 4 crore. Last year they had incurred a loss of Rs. 3.88 crore. We are trying to curtail the losses. We are not in a position to take care of the losses incurred by other units. Once this revival plan is implemented, it may be possible for them to generate more profits to take care of the losses on the other side."

2.14 On the one hand the Ministry is interested in reviving the industries. They have already submitted so many plans. They are also trying to sell some lands to revive the units. But the fact is that vanaspati units are incurring losses. Only the packaging units are making some profits. On the other hand, they are trying to cut down the quantity of oil given for these units. Asked about the fate of these two Vanaspati Units, the Secretary, Department of Civil Supplies during evidence explained :

"Sir, the hon. Member is correct when he says that the operations of the packaging units depends upon the quantum of allocation of edible oil made available to them. As my colleague has pointed out earlier today, the allocations are supposed to take care of mainly the requirements of the festival season. As a matter of fact, we have taken up the question of giving more allocation to HVOC with the Department of Consumer Affairs. But then while they co-operate, they face some problems also. The problem is that some of the State Governments have set up their own units for packing edible oil. Those States which have set up their own units for packing oil are reluctant to give this allocation of HVOC. This is one problem that they are facing. Secondly, HVOC earns better margin and more profit when they do packing in small pouches as against bulk packing. So, we have requested the Department of Consumer Affairs to go in more for packing in small pouches.

Incidentally, we are also told that there is less scope for diversion and less scope for moving away from the PDS if the packing is done in small pouches rather than in bulk tins. They have kindly agreed that they will impress upon the States that in future more of their requirements should be in small pouches rather than in tins. This is another step we are taking to ensure that the profitability of this undertaking is better in the year to come."

2.15 In regard to palmolien pouches, the Secretary, Department of Consumer Affairs and Public Distribution stated :—

"When palmolein is sold in pouches, it costs more. States like Andhra Pradesh take it in bulk and we are requesting them to sell in pouches. Unfortunately, HVOC has no plant in Andhra Pradesh and Gujarat, the two States which take maximum of this oil. They have units in Mumbai, Delhi, Calcutta and Madras. We are prepared to give more allotment to Calcutta unit, provided the Government is willing to transport and sell it to places like Nagaland. If it is transported in pouches from one place, the damage would be more. If they have a plant either at Hyderabad or at Vizak, it would be better since they consume more. We cannot compel the States, but we are insisting them to have it. In fact, we can subsidise if they have it in pouches. I am prepared to give them subsidy for pouches, if the States are willing to. Tamilnadu is taking only 1000 tonnes. The unit cannot sustain on 1000 tonnes; purely depending on PDS is not sustainable. Secretary, Department of Civil Supplies informed as far as Hyderabad is concerned, it is a fact that as of date, we do not have a plant; but we used to have a plant in Hyderabad to cater to the requirements of Andhra Pradesh till three years back. We waited for some time in the hope that some allocation would be made available, but unfortunately, nothing was forthcoming. So ultimately we had no option but to close down those plants. In fact, now we have made a reference to the Andhra Pradesh Government to indicate to us whether they are willing to give it to HVOC for the purpose of packing. But no positive response has been received so for from the Andhra Pradesh Government. If we get a suitable, appropriate and a favourable response from the Andhra Pradesh Government, HVOC would be well prepared once again to set up a plant for the purpose of packing edible oil in Hyderabad."

2.16 Asked for the regularisation of casual workers working in these units for the last 17 years, the Secretary, Department of Civil Supplies informed as under :—

"It is a fact. As the hon. Member has pointed out, both in Amritsar and Calcutta, there are people who have been working for years together without being regularised. Strictly speaking, I do agree that they should have been regularised by now. In fact, they should have been regularised much before. You will appreciate that HVOC have been incurring losses for several years and its financial condition has not been satisfactory. Basically, this has been the reason for their not getting regularised. But for your kind information, I would tell you that we have taken a step in the direction of helping these people because they have been drawing pay at a fixed level during the last so many years. With effect from this year, we have increased their stipend which they are getting by about Rs. 1000. Earlier they were getting Rs. 1500 and now they will get Rs. 2500."

He further added :

"We have already raised their stipend by Rs. 1000 and that may be regarded as the first step in the direction of regularising these people. We will look into this problem as and when the financial position of the Undertaking undergoes some change for the better. We hope to improve their financial position.

Land of HVOC at Sonepat

2.17 As per title deed dated 11.1.1937, approximately 64 acres of land was purchased by erstwhile Ganesh Flour Mills Co. Ltd. Out of this land, approximately 31 acres was acquired by Punjab Government in June, 1996 for public purpose namely for establishment of Hindu Kanya Vidyalaya and Hindu College (Girls), Sonepat. Further it has been learnt that about 20 acres of land has been acquired by Government of Haryana for establishment of industrial estate; 6 acres has been acquired by Municipal Corporation for construction of road. These facts are to be verified and are pending for report of District Revenue Officer, Sonepat District. Revenue Officer-cum-Land Acquisition Collector and subsequently Deputy Commissioner, Sonepat were requested to provide exact area and position of land of HVOC at Sonepat.

2.18 As far as the land acquired for establishment of Hindu Kanya Vidyalaya is concerned, the Collector under the Land Acquisition Act, awarded a compensation amount of Rs. 3,49,728/- @ Rs. 2.37 per sq. yd. An apeal against the compensation was filed before Punjab and Haryana High Court, to enhance the compensation (from Rs. 3,49,728/

to Rs. 23,58,720 @ Rs. 16/- per sq. yd.) beside payment of interest etc. It is learnt from our Advocate that, in the last week of March, 97 our appeal has been allowed and certified copy of the judgement is awaited.

2.19 57 acres of land at Sonepat was acquired by Punjab and Haryana Government in public interest. Therefore, there is no question of loss. As far as land acquired for Hindu Kanya Vidyalaya is concerned an appeal against the compensation was filed before the Punjab and Haryana High Court. HVOC's appeal has been allowed and certified copy of the judgement is awaited.

2.20 Asked about efforts made by HVOC to get land back occupied by Hindu College, the Ministry of Civil Supplies, consumer Affairs and Public Distribution in a reply stated as follows :

> "A letter dated 28.2.1997 was addressed to Shri Gian Parkash, Manager of Hindu Education & Charitable Society, who is managing Hindu College for immediately vacation of approx. 1 acre of land, which may be in unauthorised possession of Hindu College, failing which appropriate action would be taken. In his reply and subsequently in the meeting with HVOC's officials, Secretary of that trust denied this allegation. HVOC has not taken any legal action against Hindu College. Report sought by HVOC from Distt. Revenue authorities about status of HVOC's land at Sonepat is awaited. On receipt of report from D.C., Sonepat, further action will be taken as per the report, which is likely to be available shortly.
>
> When asked whether the land records of HVOC Units at Sonepat has been got duly certified by the Haryana State Government revenue Authorities, the Ministry of Civil Supplies, Consumer Affairs and Public Distribution had informed that attempts have been made by HVOC to get the land records of land owned by HVOC at Sonepat, verified by Haryana State Government revenue Authorities. This attempt has been made through letters addressed to District Authorities and also by deputing officers of the corporation to visit Sonepat. As per prior appointment, the District Authorities have promised to make these available shortly."

Leasing of Land of HVOC

2.21 Approx. 2 acres of land was leased out to M/s Scooters India Limited for five years w.e.f. 1.2.1976. The lease was extended for a

further period upto 2.5.1981 on the same terms and conditions of the lease agreement. Since 2.5.1981, there is no agreement for extension of lease between Ganesh Flour Mills and M/s. SIL. GFM was nationalised and M/s. Hindustan Vegetable Oils Corporation Ltd. was registered as a Government company w.e.f. 28.1.1984.

2.22 The amount of lease rent to be paid by M/s. SIL to M/s GFM was Rs. 25,000/- per month.

2.23 In the lease agreement, it was stated that M/s. SIL would pay royalty @ RE. 1/- per fan manufactured by SIL for use of brand name "Ganesh Fan". The amount of royalty which is due from SIL could not be calculated because SIL has not informed GFM (now HVOC) about the number of fan manufactured under the brand name 'Ganesh' since the date of signing of the lease agreement—i.e. from 1.2.1976.

2.24 Asked about the efforts made by the government/HVOC to recover the rent/royalty from Scooters India Limited, the Ministry of Civil Supplies, Consumer Affairs and Public Distribution in a reply stated as under :

"The matter regarding recovery of rent/royalty from SIL was taken up by M/s. Ganesh Mills (later HVOC Ltd.) and this Ministry with SIL and the Ministry of Industry repsectively from 1983 onwards. The initial letter of this Ministry dated 17.8.1983 was followed by several reminders. In the recent past, two letters dated 18.9.1992 and 27.1.1993 were written by Secretary (CS) to Secretary, Department of Heavy Industry. Further reminders dated 21.12.1993, 17.1.1994 and 16.6.1994 was sent from Joint Secretary level to the Department of heavy Industry. Inter-Ministerial meetings were also held on 2.11.1983, 4.2.1987 and 8.8.1994. On 8.8.1994 a meting was held between officials of HVOC and Ministry of Industry under the Chairmanship of Secretary, Department of Heavy Industry. In this meeting it was suggested by the Secretary, Department of Heavy Industry, that HVOC should think in terms of not insisting for SIL to pay outstanding dues of HVOC; a portion of land occupied by M/s. SIL may be allowed to be retained, in perpetuity, at a nominal lease rent of Rs. 1/-; major portion of land occupied by M/s. SIL would be returned to HVOC. The proposals were not acceptable to HVOC. The matter had been taken up with Department of Heavy Industry also at the level of Minister of Civil Suplies on 29.6.1994. MOS, Ministry of Industry informed

that M/s Scooter India Ltd. was under reference to BIFR and that the payment of dues to HVOC along with other matters would be considered after a final decision is taken by BIFR. Now it has been learnt that BIFR has given the final decision and the matter is being taken up with the Ministry of Industry."

2.25 Asked about HVOC land under occupation of Scooter India Limited, the Secretary, Department of Civil Supplies during evidence explained as follows :

"May I make a submission ? In Delhi, we have HVOC at two places. One is at Subzi Mandi which has been ordered to be closed on grounds of pollution by the Hon. Supreme Court. That has been closed down. The other is in Kirti Nagar about which the hon. member is referrring to. It is the Kirti Nagar premises which is partly under the occupatiion of Scooters India Limited. It is a fact that a part of that plot is under their occupation for quite some years. As a part of our effort to sell off some of the surplus land, we are taking up the matter with the Scooters India Limited. As you know, it is also a public Sector undertaking. We propose to take up this matter with the Department of Heavy Industries which is the Administrative Department for this undertaking. So, we hope that it will be possible to get an amicable solution; and in the event of our deciding to seel some surplus land at Kirti Nagar, it should be possible for us to get the occupation of this land by Scooters India Limited vacated. A lot of efforts have been made by us at various levels of the Government. The matter has been put to the Government. Secretary, Civil supplies convened a meeting in which Secretary, Department of Public Enterprises, Ministry of Industry was also present under whom Scooters India Limited is functioning. They have not vacated so far. We are again making efforts because if this land is sold, we will get a better price after Scooters India Limited vacates. Since it is a sister undertaking, it should be taken up at the level of the Cabinet Secretary."

2.26 The Committee note that packaging units, have started making profits since 1994-95. The Government has assured assistance by giving higher allocation of imported palmolein for packaging in both small packs and busk pack. The Committee recommend that packaging of small packs of imported palmolein should be increased by these units keeping in mind the demand of common and poor consumers.

2.27 The Committee regret to note that people working in Vanaspati Units for the last 17 years, have not been regularised by the HVOC so far. Earlier these people were getting Rs. 1500 stipend and now it has been increased to Rs. 2500. The Committee recommend that the Government should at least now regularise the workers of these two units located at Amritsar and Calcutta.

2.28 The Committee are surprised to note that approximately 64 acres of land was purchased by the erstwhile Ganesh Floor Mill Co. Ltd. Out of this land approx. 31 acres was acquired by the Punjab Government in June, 1966 for public purpose namely for establishment of Hindu Kanya Vidyalaya and Hindu College (Girls), Sonepat. 20 acres of land has been acquired by Haryana Government for establishment of industrial estate; 6 acres has been acquires by the municipal Corporation for construction of road. The Committee are dismayed to note the matter of land records with Distt. Revenue Authorities and enhancement of the compensation of land acquired by Hindu Kanya Vidyalaya has been dealt with a casual manner by the HVOC. The Committee strongly recommend that the Government should take concrete steps immediately to get the land record verified from Distt. Revenue authorities and action should be taken against the Vidyalaya/College by filing a case in the court against them. The matter of compensation may also be dealt with expeditiously. The Committee also desire that action taken and progress made in this regard may also be communicated to them.

2.29 The Committee are concerned to note that approximatly 2 acres of land of HVOC was leased out to M/s Scooters India Limited w.e.f. 1.2.1976 and the lease was further extended upto 2.5.1981 on the same terms and conditions without getting the earlier dues i.e. rent/royalty from SIL. This indicates that the Government has dealt with this serious matter lightly. The Ministry of Civil Supplies, Consumer Affairs and Public Distribution had earlier issued a couple of reminders to Ministry of Industry/Department of Heavy Industry since 1983. However the matter has even not been taken with the Cabinet Secretary as admitted by the Secretary, Department of Civil Supplies during evidence. The Committee recommend that the matter should be placed immediately before the Cabinet Secretary and not only the amount of rent and royalty should be recovered but the land should also be got vacated from Scooters India Limited.

They also desire that the land vacated by Scooter India Limited should be sold so that the amount is utilised for modernisation of Vanaspati Units of HVOC.

C. Essential Commodities Regulation and Enforcement (ECR & E) Division

2.30 In its endeavour to ensure easy availability of essential commodities to the consumers and to protect them from exploitation by unscrupulous traders, the Government of India has armed itself with the following Acts :

(a) Essential Commodities Act, 1955 (EC Act, 1955)

(b) Essential Commodities (Special Provisions) Act, 1981

(c) Prevention of Black marketing And Maintenance of supplies of Essential Commodities Act, 1980 (PB Act, 1980)

2.31 The EC Act, 1955 gives powers to control production, supply, distribution etc. of essential commodities for maintaining or increasing supplies or for securing their equitable distribution and availability at fair prices. Using the powers under the Act, various Ministries Departments of the Central Government have issued Control Orders for regulating production/distribution/quality aspect/movement etc. pertaining to the commodities which are essential and administered by them.

2.32 Similarly, availing of the delegated powers under the Act, the State Governments/UT Administrations have issued various Control Orders to regulate various aspects of trading in essential commodities such as food grains. edible oils, pulses, kerosene, sugar etc.

2.33 The Essential Commodities (Special Provisions) Act, 1981 came into force w.e.f. 1.9.1982 for dealing more effectively with persons indulging in hoarding and black marketing of, and profiteering in essential commodities. This Act was initially effective for a period of five years and later extended upto 31.8.97. The penal provisions of the EC Act, 1955, and EC (SP) Act, 1981 are being implemented by the States/UTs for continuance of strict action against black marketers, hoarders and profiteers etc.

2.34 The results of enforcement of the Essential Commodities Act,

1955 in the States/UTs during the period January to December 1996 are as under :

(i) No. of raids conducted	57933
(ii) No. of persons arrested	2844
(iii) No. of persons convicted	3031
(iv) Value of goods confiscated	1637.11

(Rs. in lakhs)

2.35 The P.B. Act, 1980 provide for detention in certain cases for the purpose of prevention of blackmarketing and maintenance of supplies of commodities essential to the community. Detentions are made by the States/UTs only selectively, to prevent hoarding of and black marketing in essential commodities but not to harass traders. During the period 1.1.96 to 31.12.96 detention orders were made against 72 persons by the State Governments which are as under:

Andhra Pradesh	5
Assam	10
Gujarat	55
Orissa	2
Total detentions	72

2.36 Under the Act, Government of India (Department of Civil Supplies) has power to review the detention orders and consequently to revoke or modify the order of detention at any time. During the year (1.1.96 to 31.12.96), this Department received 45 representations from persons against whom detention orders were issued by various State Governments as listed below:

Gujarat	37
Andhra Pradesh	5
Assam	3
Total	45

2.37 After due consideration revocation order was issued in one case from Gujarat and the remaining representations were rejected.

2.38 The Essential Commodities (Special Provisions) Act, 1981 came into force w.e.f. 1.9.1982 for dealing more effectively with persons indulging in hoarding and blackmarketing and profiteering

in essential commodities. This Act was initially effective for a period of five years and later extended upto 31.8.1997. The Committee desire the Government to extend this Act for another five years i.e. upto 31.8.2002 so that strict action can be taken against black marketeers, hoarders and profiteers etc, by the State Governments/Union Territories.

CHAPTER III

DEPARTMENT OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION

A. Public Distribution System

3.1 The Public Distribution System (PDS) which involves supplies of key essential commodities and maintenance of their uninterrupted flow at affordable prices to the public, has over the years, emerged as an important instrument of Government policy to moderate open market prices and to ensure food security at the household level.

3.2 Under the PDS the Central Government has assumed reponsibility for procurement and supply of essential commodities *viz.* wheat, rice, levy sugar, imported edible oils and kerosene to the State Governments/UTs for distribution at almost uniform and affordable prices to the public. These commodities are made available to the States/UTs at fixed Central Issue Prices (CIP) which are determined by the Central Government and generally involves subsidies borne by the Central Government. Some States/UTs also distribute additional items of mass consumption through the PDS outlets. The implementation of the PDS is the joint responsibility of the Central Government/State Governments and UT Administrations. The Central Government is responsible for procuring the commodities, storing and transporting the PDS items upto the Central Godowns and making them available to the States/UTs. The responsibility for actual distribution to the consumers is of the States/UTs.

3.3 A Committee of Secretaries under the Chairmanship of Secretary (CA & PD) with Secretary (Food), Secretary (P&NG) as Members has been functioning for finalising the allocation of PDS commodities from month to month basis.

3.4 The magnitude and volume of the commodities handled by the PDS in the last few years are as under:—

3.5 Total allocation and lifting of wheat, rice, levy sugar, imported edible oils and kerosene from 1992 to 31.10.1996 is given as under:

(Figures in MTs)

Year	Wheat allo.	Lifting	Rice allo.	Lifting
1992	9306	8050	108867	9298
1993	9101	5352	12117	8886
1994	10265	4974	12801	7843
1995	11089	5072	14183	8936
1996 (Upto 31.10.96)	8836	6005	12222	8701

(Figures in MTs)

Year	Levy Allo.	Sugar Lifting	Edible Allo.	Oils Lifting	Kerosene Allo.	Lifting
1992	4296	*	112	82	8363	8359
1993	4296	*	45	21	8480	8471
1994	4156	*	128	102	8791	8749
1995	4161	*	198	151	9067	9085
1996 (upto 31.10.996)	3823	*	203	151	7898	7867

* Lifting of levy Sugar is approx. 100%

3.6 The State Governments/UT Administrations have been advised to include additional commodities of mass consumption of distribution through PDS and consumer cooperative outlets in their respective States/UTs depending upon the local requirements and availability. Many State Governments/UT Administrations have reported that they are distributing additional items of mass consumption such as pulses, tea, iodised salt, soaps, exercise books to consumers through PDS outlets in RPDS areas.

3.7 The network of Fair Price Shops has been expanding over the years. Upto 30th September, 1996, a total of 1678 lakhs ration cards have been issued by the State Governments/UT Administrations to

cover the entire population of the country. Increased emphasis has been laid in the past few years on improving the reach of the PDS to remote farflung, hilly and inaccesible areas where substantial section of the poor live. Mobile fair price shops/vans are presseed into service in these areas. The Programme of Revamped PDS was launched by the then Prime Minister on 1.1.1992. The State Government/UT Administration, have already initiated a number of steps towards implementation of scheme. In quantitative terms, about 16 crores of people living in 1775 blocks in the country are benefitted.

3.8 Asked to state the reasons for non-lifting the essential commodities by the States, the Secretary, Department of Consumer Affairs and Public Distribution during evidence explained as follows :

> "We go by what the State Governments ask for and allocate accordingly. This happens even in the case of other commodities also, particularly in the case of rice and wheat. Even last time from February to October, we asked them to lift but they did not lift."

3.9 The Committee are concerned to note the poor lifting of wheat and rice by the States/UTs. The Secretary, Department of Consumer Affairs and public Distribution explained to the Committee during evidence that "in the cases of rice and wheat even last time from February to October, we asked them to lift but they did not lift". The Committee are of the view that the matter may be dealt with Chief Secretaries of these respective States/UTs for lifting the commodities under PDS regularly. The Committee also recommend that the meetings/conferences of the Chief Ministers/State Ministers of the Civil Supplies Department of the States/UTs may frequently be called to sort out the matter.

Revamped Public Distribution System

3.10 The Central Government supplies PDS items in bulk to the State Governments/UT Administrations for Distribution through the Public Distribution System. The State Governments/UTs Administrations fix the retail price themselves after taking into margin for wholesaler/retailers, transportation charges, levies, local taxes etc. The Central Issue Price (CIP) of foodgrains meant for distribution in RPDS areas are Rs. 50 per quintal lower than the CIP at which such foodgrains are issued through normal PDS. The State Governments/

UT Administrations have been advised to ensure that the retail price of foodgrains distributed in RPDS areas should not exceed 25 paise per kg. over and about the CIP. The progress made by the State Governments/UT Administrations in the implementation of RPDS are monitored by the Central Government in this regard to the target set by them for its implementation. Meetings are held to review the progress achieved, the implementation of PDS and in particular RPDS areas. The progress made under the RPDS as reported by the State Governments/UT Administrations till 15.1.97 is under :—

Sr. No.	Items	Targets	Achievements
1.	Addl. fair price shops opend	10580	18897
2.	Addl. ration cards issued	2675898	9284570
3.	Bogus ration cards eliminated		4417048
4.	Storage capacity (in MTs)	4134400	
5.	Hired Created		451311 87460
6.	FPS in identified areas		103163
7.	FPSs covered by door-step delivery system		53829

Streamlining the PDS with its Focus on the Poor

3.11 Under the Common Minimum Programme (CMP) of the Central Government, the need for streamlining PDS with objective of improving the basic minimum service was stressed. The issue was discussed in he Conference of Chief Ministers held on 4-5 July, 1996 followed by the State Food Ministers Conference on 7.8.1996 which unanimously endorsed the proposal for targeting PDS especially the provisions of subsidised foodgrains to the population Below Poverty Line (BPL) and recommended that the Central Government may bring this targetted PDS into force as soon as possible. Accordingly, Government has restructured the PDS effective from 1.2.1997, which *inter-alia* includes that :

(i) Ten Kgs. of foodgrains per family per month will be issued on the basis of number of families below poverty line.

(ii) To take care of the population above the poverty line presently covered under PDS, transitory allocation will be made to the States, over and above their entitlement of subsidised foodgrains on the basis of average lifting by States during the last 10 years and at the CIP fixed from time to time.

(iii) While deciding the allotment the special problems of hill States, States with inacessible areas where regular markets do not function and highly food deficit States will be kept in mind.

(iv) States will be directed to keep the margin at FPS level at not more than 50 paise per kg particularly for the population below poverty line.

(v) The State Governments would need to make all arrangements to ensure that the eligible families are identified, cards are given and the scheme is implemented properly. Under no circumstances subsidised foodgrains are given unless these arrangements are made.

(vi) While issue of 10 KG of foodgrains to the families below poverty line is the first step in streamling the Public Distribution System with focus on poor, as a second step, the specially subsidised foodgrains may be issued to all beneficiaries under EAS/Jawahar Rozgar Yojana at the rate of 1 kg. per man day on the basis of guideline already issued in this regard.

3.12 Under the Plan schemes, the Ministry continued to provide financial assistance to States and UTs in the form of loans and subsidy for purchases of vans, construction of godowns and providing for training of officials of State Governments and UT Administrations/ their agencies engaged in the field of PDS.

3.13 Asked about the procurement and allocation of foodgrains, the Secretary, Department of Consumer Affairs and Public Distribution during evidence stated :—

"Since the question has been raised generally on the entire PDS and not merely on edible oil. I would like to say that the PDS has

a limited role. It is supplementing the open market. It is not replacing the open market. What we are getting through the PDS depends only on the procurement that we make. Today in the country, rice and wheat put together we produce about 140 million tonnes and out of which what comes to the market is only 15 per cent because people who produce keep something for their own requirement. Our procurement, all along, in the last so many years on a average was about 200 million tonies, 20 lakhs tonnes of wheat and 180 lakhs tonnes of rice. Out of this, we have to satisfy the PDS.

Today, the PDS is universal. Everybody can have access to the PDS. Out of 200 lakh tonnes which we procure, we have to keep something as buffer stock. We have got a small committment towards the SC/ST hostels. The PDS being universal, we have got 170 million families in this country roughly and every family has to be given from what we procure. In that case, we an only give 100 kg. per year per family. If we remove some sections of population who do not use PDS from the purview of the PDS, then we can give 120 kg. per year per family which means just 10 kg per family per month. This is only possible and so, this is a limited intervention.

We should decide as to whether this limited quantity should go to everybody indiscriminately or should go only to the most needy or the poorest section. That was the question and the Government have decided to first protect the poorest section of the population which is below the poverty line. That itself comes to 36 per cent of the total population, according to the latest estimate. When this issue was discussed in the meeting of the Chief Ministers, most of the Chief Ministers felt that we cannot take away the people above the poverty line out of the PDS immediately and we have to carry them for some more time. Today, we can supply on 10 Kgs. per month for the poor and something for the rest. I am responsible for making things available at a quality that is acceptable and at a price that is affordable. But to make it reach the people, it is the responsibility of the State Governments.

"I am not appointing any dealers. The dealers are appointed by the State Governments. In Madhya Pradesh, they have given it entirely to the cooperative societies. In Tamil Nadu, major portion

is given to the co-operative societies and the rest is supplied through the States of state Civil Supplies Corporation in the State. All along, the PDS has functioned on a historical basis.

We started it with the Second World War with the thrust on the urban areas. The major chunk goes to the Andhra Pradesh, Kerala, West Bengal, Maharashtra, Tamil Nadu and to a certain extent to Delhi. These are the States which are getting maximum. The number of persons living below poverty line is higher in Bihar, Uttar Pradesh and Madhya Pradesh. But they were getting much less. Today, under the changed circumstances when the focus is on the poor and those who are below the poverty line, they are concentrated States Bihar, Madhya Pradesh and Uttar Pradesh. Now they will get more share. This is the change we are trying to introduce. But beyond that it depends upon the States. Taking it to the people and issuing what is taken from FCI and ensuring that it actually reaches the shop and from the shops to the card holders, it is responsibility of the State Governments. The dealers would be reporting to the States. We have written to the State Governments to send the report to us. The States of Tamil Nadu and Kerala are reporting to us but other States are not reporting. We want them to report regularly as to how much quantity they received from the FCI, how much went to the shop and how much had been issued to the card holders. They should report how much was the opening balance and what is the closing balance. They should do it at the district level and the State level. But the report does not reach us because the State Governments do not take interest. I would appeal to the Hon'ble Member especially from Uttar Pradesh, Bihar and Madhya Pradesh as they would be getting more than what they were getting for the last 10 years to impress upon the State Governments to send us the reports."

3.14 When asked regarding the arrangements made for regular and timely supply of foodgrains to the people who live below the poverty line and are living in the hilly and remote areas, the Secretary, Department of Consumer Affairs and Public Distribution during evidence clarified as under :—

"Sir, generally we want to ensure that all the commodities reach in all the areas. As I said earlier, it all depends upon the State

Governments. The most important persons are the dealer and the most important places are the shop. We make special efforts for the remote areas like hilly areas, tribal areas, desert blocks and the drought prone areas. We have given money to the State Governments to build godowns not big godowns like FCI godowns but small godowns. Fifty per cent of the money provided is loans and 50 per cent as the subsidy. They have small godowns to keep one or two thousand tonnes of food grains. Sir, I am glad to report that this year the allocation has been increased as compared to last year which was Rs. 7.5 crore. Now, it is Rs. 12.50 crore. We give this money to the inaccessible areas. We have requested the State Governments to make the entire system transparent. We have requested for some more funds."

3.15 The Committee have observed that the Central Government has in an unprecedented decision announced an all time high bonus of Rs. 60 per quintal to the farmers on the existing minimum support of Rs. 415. The Punjab and Haryana Governments have rejected the Centre's bonus of Rs. 60 per quintal to the farmers for procurement of wheat by the Central Agencies. The Committee feel that it may cause immense hardship to the Centre in maintaining the National Buffer, as these two States contribute nearly 80 per cent of the national kitty. The Committee recommend that the Government should take concrete steps to make wheat available for distribution through Public Distribution System as well as through the open market. They also desire that work relating to streamlining the Public Distribution System with its focus on the poor should not be hampered due to rejection of the Centre's bonus to the farmers by these two States. They also desire that the Government should create a mechanism at the Centre to monitor all aspects regarding issue of ration cards to families below the poverty line so that wheat and rice reach families below the poverty line at half of normal price. The Government should make all out efforts for success of the new PDS as well as the existing PDS. The Central Government is spending a lot of money for subsidising foodgrains and the Committee desire that the Central Government should impress upon the State Governments/UTs to monitor PDS at States and District levels so that 10 kg. rice/wheat must reach the genuine families below the poverty line.

Major Head : 3601 and 7601

B. Schemes for Assistance for Purchases of Vans

3.16 For restructuring the PDS, an efficient delivery system is an equally vital subject to be considered on priority basis. This scheme is introduced to provide financial assistance to States/UT Administrations for purchase of mobile vans/trucks for distributing essential commodities in rural/hilly remote and other disadvantaged areas static/ regular fair price shops are not found viable. The assistance at present is provided in the form of loan/subsidy in the ratio of 50 : 50 and is restricted to Rs. 4 lakh in case of delivery vans (for 4 tonner) and Rs. 8 lakhs for big trucks, ranging from 8.10 tonnes and above subject to ceiling of actual cost whichever is less. Under the scheme, vehicles can be used not only as mobile fair price shops but also for effecting door delivery of PDS commodities in RPDS areas. The scheme is supplementary in nature as running cost and its maintenance etc. are borne by the respective States/UTs from their own budget. Since inception of the Schemes 1985-1986 upto 31.12.96 and amount of Rs. 40.63 crores has been provided as financial assistance to 26 States/ UTs for purchase of 1153 vans/trucks.

C. Scheme for Construction of Godowns

3.17 This is another continuing scheme from the Sixth Plan period and intended to assist State Governments/UT Administrations for construction of godowns of the capacity upto 2000 MTs in interior areas where it is necessary to maintain the adequate stock to ensure regular supplies under the PDS. Since 1983-84 to 1991-92, the schemes was restricted to North Eastern States, Himachal Pradesh, Sikkim, J&K, Lakshadweep and Andaman and Nicobar Islands. The scheme, thereafter has been liberalised and extended to all areas covered under the revamped PDS also with modified pattern of assistance in the form of subsidy and loans in the ratio of 50 : 50. Since inception of the scheme in 1983-84 upto 31.12.96 financial assistance to the extent of Rs. 32.45 crores has been sanctioned for construction of 396 godowns for raising the additional storage capacity of 1,57,022 metric tonnes in 24 States/UTs.

3.18 The financial assistance released during the past 5 years under above two schemes is as under :—

(Rs. in lakhs)

Year	Assistance for purchase of Mobile Vans			Assistance for construction of Godowns		
	BE	Amount sanctioned	No. of Vans/trucks	BE	Amount sanctioned	Capacity (tons)
1992-93	300	596.00	149	1020	795.35	46,500
1993-94	598	597.00	151	482	482	23,850
1994-95	660	660.00	166	555	550	27,100
1995-96	660	655.70	127	755	754.99	26,492
1996-97	660	326.70	50	755	564.96	26,880
(Upto 31-12-96)						

3.19 In regard to utilisation certificate for construction of godowns the Secretary, Department of Consumer Affairs and Public Distribution state :—

"Sir, the scheme of giving funds for construction of godowns is there from 1983 onwards. Earlier the emphasis was on remote areas which we call RPDS areas. It includes DAAP areas of other States. In 1996-97, an amount of Rs. 7.5 crore was allocated. The allocation for this year will be Rs. 10 crores. Sir, in allocating the money one problem is that the State Governments do not send us the utilisation certificate in respect of the fund which has been utilised."

D. Vigilance Committee

3.20 Most States/UTs have reported the setting up of Vigilance Committees comprising local people at the fair price shops and other levels.

3.21 The Committee note that the Government provided funds for the purchase of mobile vans/trucks for distribution of essential commodities in Rural/Hilly remote and other disadvantaged areas where static/regular fair price shops are not found viable and feasible. The assistance is provided in the form of loan/subsidy in the ratio of 50 : 50 and is restricted to Rs. 4 lakhs in case of delivery vans

(for 4 tonnes) and Rs. 8 lakhs for big trucks ranging from 8-10 tonnes and above subject to a ceiling or actual cost whichever is less. The Committee further note from the statements furnished by the Ministry that budget provision for assistance for purchase of vans has been the same as in the earlier year *i.e.* Rs. 6.60 crores from 1994-95 to 1996-97. The Committee therefore recommend that budget provision may be increased reasonably keeping in view the increase in the cost of vans/trucks. They also desire the Government to consider the revision of the ceiling, which is at present 4 lakh for vans and 8 lakhs for trucks.

3.22 The Committee are happy to note that scheme for construction of godowns has been liberalised and extended to all areas covered under the revamped PDS also with modified pattern of assistance in the form of subsidy and loans in the ratio of 50 : 50. The Committee appreciate that financial assistance to the extent of Rs. 32.45 crores has been sanctioned for construction of 396 godowns for raising additional storage capacity of 1,57,022 metric tonnes in 24 States/UTs. The Committee consider that storage capacity is still not adequate and States/UTs are not able to lift the foodgrains allotted to them on cent per cent basis. There is need to increase the storage capacity further for maintaining adequate stock to ensure regular supplies under the PDS. They therefore, desire the Government to provide adequate funds during the Ninth Five Year Plan for construction of godowns in States/UTs.

3.23 The Committee also urge the Government to stress upon those States who have not furnished utilisation certificates for which the funds were utilised so that allocation problem is sorted out as admitted by the Secretary, Consumer Affairs and Public Distribution during evidence.

3.24 The Committee desire the Government to take up the matter with remaining States/UTs who have not reported the setting up of Vigilance Committee comprising of local people at fair price shops and other level. The Committee also urge the Government to stress upon the States/UTs that Vigilance Committees should function effectively for the purpose intended for. The Committee would like the Government to apprise of the action taken in this regard.

Major Head : 3456

E. Scheme relating to Intelligence, Enforcement, Manpower Training

3.25 This scheme was initiated during the Sixth Five Year Plan for providing training to officials of State Governments/Civil Supplies corporations to improve the management of supplies of essential commodities under PDS. This scheme is being continued in the Eighth Plan period also and extends financial assistance for research studies/ evaluation studies on various aspects of PDS. Provision also exists for holding seminars/workshops for Senior Level Officers of the States/ UTs engaged in Supply management and also of concerned Central Ministries/Organisations.

3.26 Over the years, training programmes have been held regularly by States/UTs under the Scheme. Evaluation studies were entrusted to reputed organisations, academicians and specialists in the field of PDS. The progress during five years (of the Eighth Five year Plan) is as follows :—

Year	No. of course/work shops	Expenditure (Rs. in lakhs)
1992-93	19	18.82
1993-94	28	19.75
1994-95	52 + 1 study	19.93
1995-96	27	4.02
1996-97 (upto Dec. 96)	16	8.20

3.27 The Committee note that a Scheme relating to Intelligence, Enforcement, Manpower Training was initiated for improving the management of supplies of essential commodities under PDS. The Committee therefore recommend that adequate funds should be made available for the scheme.

F. State Commissions/Consumer Disputes Redressal Forum (District Forum)

3.28 There are 32 State Commissions, one in each State/UT and 518 District Fora are functioning in 513 districts in the country, at

present. However, District Fora have not been set up in newly formed districts and one district each in Haryana and Tripura and 6 districts in Tamil Nadu. According to the provisions of the Consumer Protection Act, 1986, the responsibility for setting up of District Forum rests with the respective State Governments/Union Territory Administrations. The information in respect of number of District Fora cases filed in and disposed of by the consumer courts are not maintained yearwise. However, Statewise statements separately for State Commissions and District fora indicating the information as furnished by the States/ UTs, since inception are given in *Appendix III & IV.*

3.29 On the recommendations of the Central Consumer Protection Council, Central Government constituted a Working Group to suggest suitable amendments to the Consumer Protection Act, 1986 and the Rules framed thereunder to make it more effective and purposeful. The Working Group has submitted its report which contains several recommendations. As the recommendations pertained to various Ministries/Departments, the comments/suggestions have been obtained from them and the same are being considered in the Ministry so as to finalise the proposals for amending the Act.

3.30 The Committee note that there are 32 State Commissions, one in each State/UT, and 518 District Fora are functioning in 513 districts in the country at present. However District Fora have not been set up in newly formed districts and one district each in Haryana and Tripura and 6 districts in Tamil Nadu. According to the provisions of the Consumer Protection Act, 1986, the responsibility for setting up of a District Forum rests with the respective State Governments/Union Territory Administrations. The Committee desire the Central Government to stress upon Haryana, Tripura and Tamil Nadu Governments to set up fora in the remaining/new districts without delay.

3.31 The Committee further note that on the recommendations of the Central Consumer Protection Council, Central Government constituted a Working Group to suggest suitable amendments to the Consumer Protection Act, 1986 and the Rules framed thereunder to make it more effective and purposeful. The Working Group has submitted its report which contains several recommendations. As the recommendations pertained to various Ministries/Departments, the comments/suggestions have been obtained from them and the same are being considered to the Ministry so as to finalise the

proposals for amending the Act. The Committee recommend that the Government should finalise the proposals as early as possible and make amendments in the Consumer Protection Act., 1986 accordingly. The Committee would also like to be apprised of the reports made by the Working Group as well as comments/suggestions made by the Ministries/Departments and amendments made in the Act.

Major Head : 3456

G. Supply of Imported Edible Oils through PDS

3.32 The Government has been importing edible oil to meet the requirement of consumers under the Public Distribution System (PDS) due to the demand and supply gap. The country has not yet achieved complete self sufficiency in production of edible oils though the dependence on imports has reduced considerably as compared to past years.

3.33 The production of edible oilseeds has increased from 186 lakh MT in the Oil Year (Nov-Oct) 1990-91 to 215 lakh in the Oil year 1995-96. Comparatively the import of edible oil for PDS has come down from 5.07 lakh MT during the financial year 1990-91 to 2.02 lakh MT during 1995-96.

3.34 During the current Oil year 1996-97 the net availability of edible oils from all domestic sources is likely to be around 64.8 lakh MT as against estimated demand of 78.3 lakh MT leaving a shortfall of 13.5 lakh MT to be met from imports.

3.35 The State Trading Corporation (STC) is the sole canalising agency for import of edible oil for PDS. Keeping in view foreign exchange constraints and subsidy involved, supply of imported edible oil through the PDS is limited/supplemental and is made primarily to augment open market availability during the lean season and festivals.

3.36 The imported edible oils are made available through PDS at subsidised rates. The Central Issue Price of imported edible oil allocated to States/UTs under PDS is Rs. 24.000 PMT (in bulk) and Rs. 27.000/-PMT (in 15 kg. tins). These rates are continuing since 21.7.94 The end retail price of RBD Palmolein is fixed by States/UTs on their own and range between Rs. 28.00 and Rs. 35.00 per kg.

3.37 The import of all edible oils excluding Coconut Oil, Palm, Kernel Oil, RBD Palm Oil and RBD Palm stearin was placed under OGL at reduced duty of 30 per cent w.e.f. 1.3.1995. At present, import of edible oil is being undertaken by the STC for the PDS and by the NDDS to recoup past losses and by the private trade under OGL. In the General Budget for 1996-97, the duty on import of edible oil under OGL had been reduced from 30 per cent to 2 per cent alongwith a surchage of 2%. In this manner the concessional duty hitherto allowed for edible oil imports by the STC/NDDB has been done away with. This decision is expected to boost edible oil imports. Moreover with a uniform duty for OGL and FS imports at present the States would be free to import edible oil according to their requirements.

3.38 Asked about the subsidy paid for the import of edible oil by STC and its allocation, the Secretary, Deptt. of Consumer Affairs and Public Distribution explained the Committee during evidence :

"Edible oil is distributed under the public distribution system alongwith the other items like rice, wheat, sugar and kerosene. But there is a diference in the case of edible oil. It is not distributed on an entitlement basis, it is locally distributed. A particular quantity is distributed every year.

This is normally imported by the STC. The Government fixes the Central issue price for edible oil. In case the STC incurs any loss then that is reimbursed to the STC as a subsidy. During the last year the international prices came down. So, the loss suffered by the STC was less. The same subsidy is being carried on in 1997-98 at Rs. 50 crores level. This is shown in the Budget itself as a subsidy for meeting the losses which the STC may incur. I may mention that edible oil prices are stable for the last three years. Its import is under OGL. Also during the last Budget the import duty has been reduced whether it has been imported by the STC or by any importer under OGL system. So, there is a greater availability of edible oil in the country. The prices are stable now. The subsidy of Rs. 50 crore is continued during the current year also. We will meet our subsidy commitment within this amount. The edible oil demand is more during the festival season, that is, the demand is more from July to October. That is why we imported one and a half lakh tonnes of edible oil last year during this period and we distributed the same through Public Distribution

shops and this year also we will import the same quantity. So, we can concentrate more during this festival season. We will continue with the same practice during 1997-98.

We had requested the State Governments to inform us about their requirements as to how much they need during the festival season because there is a peak demand during this period. But some of the State Governments have mentioned to us to import from the beginning of the year. However, some of the State Governments have mentioned that they do not want it also."

3.39 When asked to supply edible oils to States/UTs regularly, the Secretary, Department of Consumer Affairs and Public Distribution during evidence stated :—

"We have got a very limited quantity of subsidy. We can either spread it through out the year or we can concentrate when the demand is more, particularly during the festival season. We have got a very limited quantity of subsidy of import. So, we have to make a choice. We can either spread it through out the year of we can concentrate when the demand is more. However, some State Governments have stated that they want through out the year. It is under OGL and the customs duty is same. Some of the State Governments have approached the STC for outside monthly import. We have requested the State Governments to indicate their requirements."

3.40 Asked the reasons for non-lifting of edible oil, the Secretary, Consumer Affairs during evidence explained as under :—

"Our responsibility is to see that the commodity is provided and if it is not lifted for any fault of ours, we certainly rectify it. But very often it does not happen. Most of the time we find that goods are available. Very often lifting is left to the dealer. If the dealer does not have enough money, he may not lift it. Of course, some States have got their Civil Supplies Corporations as the agency to lift the goods."

3.41 In regard to demand made by the States, the Secretary, Consumer Affairs and Public Distribution during evidence informed :

"We ask all the State Governments to respond. Bihar has not responded this year. They did not indicate last year also. Uttar Pradesh and Kerala have also not indicated. Traditionally, the edible

oil has been consumed in Maharashtra, Gujarat, Andhra Pradesh, West Bengal and Tamil Nadu. These are the five States which account for more than 50 per cent of total allocations. Now, Andhra Pradesh has asked for 16,000 tonnes per month, Gujarat 5,000 tonnes, Maharashtra 6000 to 8000 tonnes per month, Tamil Nadu 1000 tonnes and West Bengal 5,000 tonnes. We will normally take into account the total availability. even if it is divided on *pro-rata* basis, it will come to this much. I cannot give anything to any State on my own. Normally, Kerala does not ask. They ask at the time of Onam and Goa asks at the time of Christmas. Even if we take wheat and rice, West Bengal, Maharashtra, Andhra Pradesh and Kerala are getting the maximum."

3.42 The Committee note that imported edible oil is imported by State Trading Corporation (STC). The imported edible oil is distributed at a subsidised rate to States/UTs and they in turn distribute it through dealers further to consumers. Loss on imported edible oil is reimbursed to the State Trading Corporation by the Ministry of Civil Supplies, Consumer Affairs and Public Distributiion. The Committee would like the Government to consider the possibility for distribution of edible oils under Public Distribution System through Fair Price Shops. The Committee also recommend that the Government should take all necessary steps to make the edible oils available to meet the demands during festivals to the needy and poor families at reasonable rate.

CHAPTER IV

ANALYSIS OF DEMANDS FOR GRANTS 1997-98 (PLAN AND NON PLAN OF BUDGET OF THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION)

Overall Performance

DEMAND NO. 9

(In crores)

BE 1996-97	RE 1996-97	Actual Expenditure 1996-97 (upto Dec. 96)	Unspent Balance 1996-97	BE 1997-98
Plan Schemes				
12.92	44.22	9.15	35.07	28.70
Non-Plan Schemes				
95.88	59.69	4.36	55.33	56.31

4.1 Asked about Plan and Non-Plan Expenditure, the Secretary, Department of Consumer Affairs and Public Distribution replied during evidence as under :—

"What I have understood is that your first question is why the Plan expenditure is more by Rs. 30 crores over 1996-97 Budget Estimates. Why has it come less next year ? This amount of Rs. 30 crore was made as one time grant to strengthen the infrastructure facilities in the consumer redressal fora in districts as well as States. This is not a regular programme. An amount of Rs. 30 crore was given in the first year and Rs. 30 crore in the next year. It was, originally, provided in the overall Budget of the Finance Ministry as grants to the State Governments. Subsequently, it was transferred at the level of revised estimates to us. We have released almost Rs. 55 crore and for next year, again a provision of Rs. 10 crore has been made in the Finance Ministry's Budget.

It is a one time grant. It was Rs. 30 crore more last year and this year there is an amount of Rs. 10 crore in our Budget."

4.2 When asked the purpose of this Plan Expenditure, the Secretary, Department of Consumer Affairs and Public Distribution explained:

"It is for the single purpose of strengthening consumer redressal fora in districts as well as States."

4.3 In regard to Non-Plan Expenditure, the Secretary, Department of Consumer Affairs and Public Distribution stated as follows:

"The other one is Non-Plan item and as I explained Rs. 80 crore was provided essentially to meet the losses that the STC suffers in importing edible oil for PDS. Last year, the loss came down, because the prices came down. We have not revised our prices. Considering the total demand, we are maintaining the same amount as we did in 1996-97."

STATEMENT SHOWING AMOUNT & PERCENTAGE OF SAVINGS FOR LAST THREE YEARS

(Rs. in thousands)

Year	Grant/Appropriation		Saving	Percentage
1993-94	REVENUE			
	Charged :	16,00	60	3.75%
	Voted :	54,50.00	8,94,42	16.41%
	CAPITAL			
	Charged :	5,31,00	—	—
	Voted :	3,76,00	3,79	1.00%
1994-95	REVENUE			
	Charged :	—	—	—
	Voted :	48,80,00	9,00,28	18.44%
	CAPITAL			
	Charged :	6,01,00	—	—
	Voted :	2,26,00	1,66,47	73.65%
1995-96	REVENUE			
	Charged :	—	—	—
	Voted :	1,59,61,00	12,53,85	7.85%
	CAPITAL			
	Charged :	7,01,00	—	—
	Voted :	92,00	57,10	62.06%

4.4 Asked to state the reasons for the savings, the Ministry in their reply informed as follows:

1993-94 : Under the Revenue Section there was a total saving of Rs. 8.94 crores which included an amount of Rs. 5 crores surrendered during the year on account of non-receipt of proposal for voluntary retirement in the PSUs under this Ministry.

The above amount also included a saving of Rs. 2 crore under the Consumer Welfare Fund due to non-operation of the projects on account of late finalisation of CWF Rules. It may be added that this saving of Rs. 2 crore is not required to be surrendered since it pertains to Consumer Welfare Fund which is non-lapsing fund and is revolving in nature.

Under the Capital Section there was a minor saving of 1% of the Grant/Appropriation due to administrative reasons.

1994-95 : Under the Revenue Section out the total saving of Rs. 9 crores as amount of Rs. 5.08 crores was surrendered due to non receipt of offers of voluntary retirement in the PSUs under this Ministry. Saving of Rs. 3.70 crores was due to non-operation of projects owing to late finalisation of notifications of rules governing projects under Consumer Welfare Fund. This saving was not required to be surrendered in view of non lapsing nature of the Fund.

Under Capital Section out of the total saving of Rs. 1.66 crores and amount of Rs. 1 crore was due to late receipt of proposals for execution of construction work of testing laboratories. This saving was not required to be surrendered in view of non lapsing nature of the Fund. Further an amount of Rs. 57 lakhs was surrendered since proposed work could not be taken up due to administrative reasons.

1995-96 : Under Revenue Section out of the total saving of Rs. 12.54 crores, the saving of Rs. 9.06 crores was due to non/less receipt of proposals from State Governments for assistance under Awareness Programme including training

& education, testing including comparative testing & research programmes. This saving related to Consumer Welfare fund which is not required to be surrendered in view of non lapsing nature of the Fund. Further Rs. 2 crore was surrendered due to non receipt of offers for voluntary retirement schemes in the PSU under this Ministry. Under Capital Section Rs. 56.09 lakhs was surrendered due to non execution of construction work.

4.5 When asked to furnish remedial measures proposed by the Government in this direction, the Ministry in their reply stated as under :

"It may be seen that the savings mainly occurred in the expenditure relating to Consumer Welfare Fund and that relating to implementation of voluntary retirement scheme in PSUs. Regarding CWF, the Rules have now been laid down and the functional activities streamlined. Regarding implementation of voluntary retirement scheme the PSU *viz.* Hindustan Vegetable Oil Corporation has been asked to prepare the budgetary requirements on realistic basis. HVOC has now projected the expenditure taking into account the number of personnel seeking voluntary retirement."

4.6 The Committee are concerned to note from the statements furnished by the Ministry of Civil Supplies, Consumer Affairs and Public Distribution that provision for RE for the year 1996-97 have been made at Rs. 44.22 crores for Plan Expenditure and at Rs 59.69 crores for Non-Plan Expenditure. Only Rs. 9.15 crores have been spent under Plan Schemes and Rs. 4.36 crores under Non-Plan Schemes (upto Dec. 96). Though only three months were left, there was a huge gap between the revised estimates and actual expenditure. The Committee fail to understand the rationale behind this especially when the PDS is to be streamlined and monitoring of prices and availability of essential commodities, is to be given much needed emphasis. The Committee are of the view that at least 50% of the outlays for the year 1996-97 should have been spent by the end of December, 1996, The Committee recommend the Government to utilise the fund fully and not divert it to any other schemes/ programmes.

4.7 The Committee are also concerned to note that Non-Plan Expenditure for the year 1997-98 is Rs. 56.31 crores which is almost double of the Plan-Expenditure. The Committee would like to

recommend that Non-Plan Expenditure must be curtailed to a reasonable level.

4.8 The Committee note that savings in the grants or appropriation indicate that expenditure could not be incurred from 1993-94 to 1995-96 as estimated and planned. Large scale savings is indicative of poor budgeting. The Committee are not convinced with the reasons for the savings explained by the Ministry. They are of the view that Government should prepare/place the Grant/ Appropriation considering the expenditure incurred during the previous year so that large scale savings could be avoided. They also desire that Grants/Appropriation should be fully utilised and may be spent evenly in the year.

(R.L. BHATIA)
Chairman,
Standing Committee on Food,
Civil Supplies and Public Distribution.

NEW DELHI;
28 April, 1997
8 Vaisakha, 1919 (Saka)

EIGHTH SITTING

MINUTES OF THE SITTING OF THE COMMITTEE HELD ON 31ST MARCH, 1997

The Committee sat from 11.00 hrs. to 13.45 hrs. on 31st March, 1997.

PRESENT

Shri R.L. Bhatia — *Chairman*

MEMBERS

Lok Sabha

2. Shri Shyam Bihari Mishra
3. Shri Raj Keshar Singh
4. Shri Nakli Singh
5. Shri Manharan Lal Pandey
6. Shri Vidya Sagar Sonkar
7. Shri Manikrao H. Gavit
8. Smt. Chhabila Netam
9. Shri Virendra Kumar Singh
10. Shri Pitambar Paswan
11. Shri Syed Masudal Hossain
12. Smt. Sandhya Bouri
13. Smt. Phoolan Devi
14. Shri D.S.A. Siva Prakasam
15. Shri Shivaji Kambli
16. Shri Ramashray Prasad Singh
17. Shri Brahmanand Mandal

Rajya Sabha

18. Shri Onward L. Nongtdu
19. Shri Moolchand Meena
20. Shri K.M. Khan
21. Prof. Vijay Kumar Malhotra
22. Dr. Ramendra Kumar Yadav Ravi
23. Shri Joyanta Roy
24. Shri Tara Charan Majumdar
25. Shri Ram Ratan Ram

SECRETARIAT

1.	Shri Krishan Lal	—	*Deputy Secretary*
2.	Shri R.S. Kambo	—	*Under Secretary*
3.	Shri O.P. Arora	—	*Assistant Director*
4.	Shri Hoti Lal	—	*Committee Officer*

WITNESSES

Department of Civil Supplies

1. Shri N.N. Mookerjee, Secretary (CS)
2. Shri B.M. Som, AS&FA
3. Shri Rajiv Srivastava, J.S.
4. Shri S.C. Brahma, J.S.
5. Shri P.A. Krishnamoorthy, Director
6. Shri S.C. Kapoor, Chairman-Cum-Managing Director
7. Shri P.S. Dad, Addl. D.G. (BIS)

Department of Consumer Affairs and Public Distribution

1. Sh. A.K. Venkat Subramanian, Secretary (CA&PD)
2. Shri Balbir Singh, J.S.
3. Shri Kamal Kishore, E.A.
4. Dr. M.K. Kandu, Chief Director (VVO&F)
5. Shri T.T. Adhikari, M.D., NCCF
6. Shri Rama Kant, M.D., Super Bazar.

2. At the outset, the Chairman welcomed the Members of the Committee and the representatives of Ministry of Civil Supplies, Consumer Affairs and Public Distribution. The Chairman then asked the Secretaries concerned to introduce their colleagues. Both the Secretaries then introduced their colleagues.

3. Thereafter, the Committee discussed with the representatives of the Ministry of Civil Supplies, Consumer Affairs and Public Distribution (Department of Civil Supplies) and (Department of Consumer Affairs & Public Distribution) the various points mentioned in the List of Points. The querries of Members were resolved by the representatives. The evidence was concluded.

4. A verbatim record of the proceeding was kept.

The Committee then adjourned to meet again on 1st April, 1997.

TENTH SITTING

MINUTES OF THE SITTING OF THE COMMITTEE HELD ON 21ST APRIL , 1997.

The Committee sat from 15.00 hrs. to 17.00 hrs. on 21st April, 1997.

PRESENT

Shri R.L. Bhatia — *Chairman*

MEMBERS

Lok Sabha

2. Shri Shyam Bihari Misra
3. Shri Gangaram Koli
4. Shri Raj Keshar Singh
5. Shri Nakli Singh
6. Shri Bachi Singh Rawat
7. Shri Chhatar Singh Dabar
8. Shri Manharan Lal Pandey
9. Shri Vidya Sagar Sonkar
10. Shri Manikrao H. Gavit
11. Smt. Chhabila Netam
12. Shri Syed Masudal Hossain
13. Smt. Sandhya Bouri
14. Shri V. Kandasamy
15. Shri Shivaji Kambli
16. Shri Ramashray Prasad Singh
17. Shri Om Parkash Jindal

Rajya Sabha

18. Shri Moolchand Meena
19. Shri Venod Sharma
20. Shri K.M. Khan
21. Shri Tara Charan Majumdar

SECRETARIAT

1.	Smt. Roli Srivastava	—	*Joint Secretary*
2.	Shri Krishan Lal	—	*Deputy Secretary*
3.	Shri R.S. Kambo	—	*Under Secretary*
4.	Shri O.P. Arora	—	*Assistant Director*
5.	Shri Hoti Lal	—	*Committee Officer*

2. At the outset, the Committee adopted the following resolution at sad demise of Shri Biju Panaik, M.P. and Chairman, Standing Committee on Finance :

"The Standing Committee on Food, Civil Supplies and Public Distribution record its profound sorrows and sense of National loss at the sad demise of Shri Biju Patnaik, M.P. and Chairman, Standing Committee on Finance. Shri Patnaik was a great freedom fighter and had shouldered many responsibilities in the State as well as in the Centre with great distinction. He was a free, frank and friendly person. His passing away has deprived the nation, a distinguished statesman.

3. Thereafter, the members of the Committee stood in silence for a short while as a mark of respect to the departed soul.

I. *Consideration and adopting of Draft Fifth Report.*

** ** ** **

II. *Consideration and adopting of Draft Sixth Report.*

5. The Committee then considered the Draft Sixth Report on Demands for Grants (1997-98) relating to Ministry of Civil Supplies, Consumer Affairs and Public Distribution. The Committee adopted the report without any amendment.

6. The Committee authorised the Chairman to make consequential changes arising out of the factual verification of the reports by the concerned Ministries and present/lay the same in both the Houses of Parliament during the current session.

The Committee then adjourned.

** Not related to this Report.

APPENDIX-I

STATEMENT SHOWING PERFORMANCE CUM-ACHIEVEMENT OF HINDUSTAN VEGETABLE OILS CORPORATION LTD.

(Figure in MT)

S.N.	Particulars	Installed Capacity per annum	Target 1995-96	Actual 1995-96	Target 1994-95	Actual 1994-95	Target 1996-97	Actual upto Dec. 96
I. PHYSICAL ACHIEVEMENT								
(a)	Vanaspati	1,05,000	10,000	3,767	18,000	8,470	Nil	368
(b)	Refined Oil (incl. Bulk Packing)	3,45,000	18,000	22,520	3,300	17,591	25,000	14182
(c)	Small Packs (in pouches)	1,20,000	21,900	23,055	10,600	17,968	30,000	26534
(d)	Breakfast Food Products	2,100	1,200	754	1,200	961	1,200	470

PHYSICAL ACHIEVEMENT

		Target 1997-98
(a)	Vanaspati	Nil
(b)	Refined oil (incl. Bulk packing)	25000
(c)	Small Packs (in pouches)	30000
(d)	Breakfast Food products	1200

APPENDIX-II

FINANCIAL PERFORMANCE

(Rs. in Crores)

Items		Actuals 1995-96	Original Estimate 1996-97	Actual upto Dec. 96	Estimated for 1997-98
(A)	Domestic Sales	97.53	111.53	90.09	111.01
(B)	Profit before tax	(3.88)	(6.00)	(2.50)	(7.60)
(C)	Profit after tax	(3.88)	(6.00)	(2.50)	(7.60)
(D)	Dividend	—	—	—	—
(E)	Equity	7.71	7.71	7.71	7.71
(F)	Reserves	16.61	10.61	14.11	3.01
(G)	Net worth	21.77	15.77	19.27	8.17

APPENDIX–III

DISPOSAL OF CASES BY STATE COMMISSIONS

State/UT's	No. of Complaints			At the End of
	Filed since Inception	Disposed of since Inception	Pending Cases	
Andhra Pradesh	7564	6006	1558	12/96
Arunachal Pradesh	14	10	4	1/97
Assam	557	271	386	4/96
Bihar	3165	1572	1593	12/96
Goa	621	514	107	12/96
Gujarat	4663	3778	885	1/97
Haryana	4528	3183	1345	12/96
Himachal Pradesh	1443	1080	363	12/96
Jammu & Kashmir	51	9	42	12/95
Karnataka	4499	3106	1393	8/96
Kerala	8250	6992	1258	1/97
Madhya Pradesh	3143	2254	889	12/95
Maharashtra	8561	6366	2195	12/96
Manipur	33	18	15	9/95
Meghalaya	39	22	17	12/96
Mizoram	11	11	—	1/97
Nagaland	4	—	4	9/94
Orissa	4620	2287	2333	12/96

State/UT's	No. of Complaints			At the End of
	Filed since Inception	Disposed of since Inception	Pending Cases	
Punjab	2012	1314	698	1/97
Rajasthan	11828	4506	7322	1/97
Sikkim	10	10	—	12/96
Tamil Nadu	7733	5959	1774	12/96
Tripura	232	155	77	9/96
Uttar Pradesh	10181	3105	7076	8/96
West Bengal	3691	1208	2483	12/96
Andaman & Nicobar Islands	11	10	1	9/96
Chandigarh	1190	1058	132	12/96
D&N Haveli	—	—	—	11/96
Daman & Diu	—	—	—	9/94
Delhi	6509	4601	1908	1/97
Lakshadweep	7	7	—	1/97
Pondicherry	344	292	52	1/97
Total	89469	54882	34587	

APPENDIX-IV

DISPOSAL OF CASES BY CONSUMER DISPUTES REDRESSAL FORUM (DISTRICT FORUM)

State/UT's	Number of District Fora	Filed since Inception	Disposed of since Inception	Pending Cases	At the End of
Andhra Pradesh	23	83065	69686	13379	12/96
Arunachal Pradesh	13	145	110	35	12/96
Assam	23	3831	3005	826	4/96
Bihar	55	29664	17463	12201	12/96
Goa	2	2186	1620	566	12/96
Gujarat	20	42652	26837	15815	12/96
Haryana	16	42054	31543	10511	12/96
Himachal Pradesh	12	7738	6818	920	12/96
Jammu & Kashmir	2	6882	5837	1045	8/96
Karnataka	20	41953	30534	11419	8/96
Kerala	14	74027	67996	6031	1/97
Madhya Pradesh	45	34935	23425	11510	12/95
Maharashtra	34	62275	44205	18070	12/96
Manipur	8	659	644	15	12/96
Meghalaya	7	150	106	44	12/96
Mizoram	3	166	156	10	1/97
Nagaland	7	13	6	7	9/94
Orissa	31	15359	13188	2171	12/96

State/UT's	Number of District Fora	Filed since Inception	Disposed of since Inception	Pending Cases	At the End of
Punjab	17	16544	14340	2204	1/97
Rajasthan	32	87820	77331	10489	12/96
Sikkim	4	69	61	8	11/96
Tamil Nadu	24	34783	29957	4826	12/96
Tripura	3	568	487	81	9/96
Uttar Pradesh	72	135881	86060	49821	8/96
West Bengal	19	20377	4770	15607	12/96
Andaman & Nicobar Islands	2	119	107	12	9/96
Chandigarh	1	9224	5123	4101	1/97
D&N Haveli	1	20	10	10	11/96
Daman & Diu	2	32	16	16	9/96
Delhi	4	37299	27322	9977	1/97
Lakshadweep	1	27	26	1	1/97
Pondicherry	1	1166	1139	27	1/97
Total	518	766571	569196	197375	